The Past, Present and Future of International Migration and Its Relationship to Aging Societies

Testimony of
Dr. Demetrios G. Papademetriou
President
Migration Policy Institute

before the
Social Security Advisory Board
Dirksen Senate Office Building
September 7, 2005

Introduction and Background

For nearly two decades now, capital and the market for goods, services and workers of many types have weaved an ever more intricate web of global economic and, increasingly, social interdependence.[1] No aspect of such interdependence is more visible to the publics of the advanced industrial societies than the large scale movement of people. And no part of that movement is proving pricklier for governments to manage effectively, or publics to come to terms with, than illegal migration.

Few social phenomena in recorded human history are as consequential for the evolution of human civilization as migration. History is dotted with "ages of migration"—from the establishment of the Greek colonies and the Roman conquests, through the Byzantine, Arabic, Ottoman and the various Asian empires, and from the European colonizations to the great migrations of the 19th and early and late 20th centuries. Furthermore, few other large social phenomena are as entwined with human progress or have been as deeply implicated in the rise and decline of organized political entities as migration. Remarkably, however, such long-standing human experience with migration does not seem to have translated into models of good management practices that can be readily adapted to and then applied effectively in different settings.

A large part of the explanation for this anomaly lies with the fact that large-scale migration, by challenging the receiving society's sense of identity and exposing the weaknesses of its social and economic models of governance—as well as of its capacity to enforce its laws—quickly leads to political contentiousness. Deeply fractured politics, in turn, interfere with the ability of governments to pursue domestic and foreign policies that deal with the phenomenon thoughtfully and, more importantly, in a manner that systematically benefits most of those involved in or affected by migration.

Measuring the Inexact: Estimates, "Guesstimates," and Rough Approximations

Migrant Stocks

At the root of the many contradictory interests and reactions to the various forms of international migration is the plain fact that the phenomenon's reach is nearly universal. Migration now touches the lives of more people and looms larger in the politics and economics of more states than at any other time in the modern era. When the UN Population Division releases its latest estimates of the stock of those currently living outside their country of birth for a minimum of one year (its definition of an immigrant), that number will likely be between 190 and 200 million.[2] This estimate would put the immigrant stock at about 3.2 of the world's population.

[1] The "Uruguay Round" of global trade negotiations and the various regional trade accords (particularly the North American trade agreements)—both starting in the late 1980s—are somewhat arbitrarily chosen as the beginning points of the newest and most intense phase of globalization.

[2] The estimates will likely be released late in 2005/early in 2006.

What may be equally significant about those estimates is what these numbers do and do not count or count incompletely—itself a function of the fact that the base data are government statistics. Such statistics are subject to political determinations about what to collect or not and, more importantly, what to report or not. For instance, the UN figure includes the 25 to 30 million persons (most of them ethnic Russians) who were re-classified as international migrants when the Soviet Union collapsed around them and broke up into a large number of independent states. At the same time, most temporary immigrants whose visas last more than a year, and half or more of unauthorized immigrants, are not included in these estimates, in large part because government data systems do not include them.

There are important exceptions to this "rule." For instance, the US and several South American countries either produce themselves or otherwise do not deny illegal population estimates by reputable analysts. Furthermore, carefully conducted national censuses are often thought to capture between half and three quarters of that population. Another group of countries produces estimates but does not report them for political reasons. For instance, a closely held British estimate of about half-a-million unauthorized immigrants was leaked earlier this year and caused great embarrassment to the government. A third category of countries has "working guesstimates"—Canada's is in the same range as the British one. The overall lesson? It is important to disaggregate "global" estimates and to look at their component parts as carefully as possible before making anything other than the most approximate of judgments.

Such approximations[3] are essential to making observations about the overall scale, distribution, and direction of immigration flows. For instance, of the UN Population Division's total estimate, about 30 percent are found in the Americas. Canada and the US probably account for about 42 million of that share. (The Western Hemisphere's numbers may be among the most robust because many key immigration players there include the largest proportions of irregular immigrants in their statistics.) Continental Europe's share is in the low 20 percent. The uncertainty level is higher in that continent because of the reasons articulated earlier. The other half or so of the total is found in the rest of the world, with Asia having the largest number of immigrants of all world regions.

Illegal migration has been by far the fastest rising single form of migration during the past ten years. A rough estimate about the share of unauthorized immigrants in the world's immigrant stock might put it at between 15 and 20 percent of the total (between 30 and 40 million immigrants). Among them, the US has the largest absolute number of irregular immigrants (between 10 and 11 million—about 30 percent of its total foreign born population), probably followed by South Africa, where estimates vary wildly but all are in the several millions. Continental Europe also has a large number of unauthorized immigrants, with the Southern parts of the European Union accounting for the largest numbers. Altogether, Continental Europe probably "hosts" between 7 and 8 million unauthorized immigrants, although that number fluctuates in accordance with the "latest" regularization program (loosely similar to what we call "legalization"). These

[3] The counting conventions that underpin these approximations must be clear if they are to be useful.

fluctuations, however, are more cyclical than one might think because large proportions of those who regularize typically fall back into illegal status when they cannot meet the conditions that would allow then to maintain their legal status.

Nor is illegal immigration the exclusive domain of rich countries. Mexico, the world's most proficient source of unauthorized (and legal) immigrants, also hosts about a million irregular immigrants of its own, the largest share of them made up of American retirees who have settled in Mexico without official permission.

Migrant Flows

Estimates about migration flows reinforce this picture. Although annual migration flows are even harder to estimate than stocks—as parts of them amount to a snap-shot in an otherwise incomplete migration journey—a best guess may be that they stand at between 10 and 15 million. That number is very sensitive to who does the counting and, hence, who is counted. The broad range used has three component parts: (a) legal permanent and longer term temporary stays, which can be counted with some (only some!) confidence;[4] (b) unauthorized entries and stays, which are extremely difficult to count (discussed in the section immediately below); and (c) asylum seekers who are relatively easy to count but particularly hard to classify.

Among the key components of the fist part are the following groups.

- Family immigration and work and skills' related streams;
- Most all international students (language students attending a course of study that lasts three months or less would be excluded);
- Temporary workers at all skill levels (except those performing short duration and truly seasonal jobs[5]);
- Business executives who have the right to stay in another country for more than one year; and
- Investors and entrepreneurs of all types.

Counting asylum seekers is more complicated. A possible way to do that is to count those asylum seekers whose application is successful during the course of the year in question in the legal, permanent part of the estimate. Those who stay in the countries in which they have made a claim pending the outcome of that claim could also be reported

[4]Immigration statistics are at the mercy of what national authorities choose to count and/or report.

[5] In this classification, many "holiday-makers," an one or two year tourist/work visa that is found mostly in some countries of the British Commonwealth, would be counted, as would most agricultural workers in the US because they follow a nearly year-long growing "season" by moving from area to area and crop to crop. Most seasonal agricultural workers in Europe would not be counted because the seasons in any one country tend to be highly defined and short and there is no single European Union wide agricultural worker visa.

as part of the flow estimate. However, those asylum seekers who stay on regardless of the outcome of that adjudication would be counted under the "unauthorized entries and stays" part of the estimate.

The United States, Canada, Australia, and New Zealand—the so-called" traditional countries of immigration—probably account for more than a third of all such annual flows. The other advanced industrial societies combined probably take another one-quarter of that total, with the UK having been by far the most active player on international migration in that group in recent years. (Within this same group, a large proportion of entrants enter through the asylum route.) The remainder is distributed among growing regional economies in the top quintile of the developing world and countries adjacent to advanced industrial countries. It is in this last grouping of countries where many irregular immigrants are often stranded (or temporarily "deposited" by their traffickers/smugglers) for more or less extended periods of time waiting for an opportunity to reach their desired destinations. Few among those are thought to be interested in returning to their home countries or in staying there if they are forcibly returned.

Migration composition

In terms of gender composition, the immigrant stock is probably roughly equally divided between men and women. Some international organizations, such as the International Labor Office (ILO), suggest that women now exceed men in the overall immigrant stock, in large part on the basis of some Asian flows which are dominated by women and the observation that several classes of movers (see immediately below) are now in their majority women. The fastest rising immigrant cohorts, however, both in terms of the stock but particularly in terms of the flow, are those of children, followed by women. (The number of children is still small but the development is a troubling one nonetheless.)

Immigrant entry classes

In terms of immigrant entry classes, the largest category, by far, has been and continues to be that of families. Family (re)-unification remains the basic unit and building block, the key multiplier, of every immigration system. In fact, even in the most highly selective immigration systems, such as that of Canada with its highly emulated "points"-based immigrant selection system, families remain the formula's principal pillar. That is because even the skills'-based part of the Canadian point system, which accounts for about half of that country's total permanent immigrant admissions ("landings") only tests the principal for skills. This means that less than a quarter of all foreigners admitted to Canada for permanent residence at any given year are skills' tested.

The rest of the class-of-entry sequence stands as follows. Family immigrants are followed in overall size by those entering with work visas, whether temporary or permanent. This is also the fastest rising entry class, with the exception of unauthorized entries and stays. Many in the legal worker group enter with their immediate family while

others are able to (re)-unify with their families some time after entry. (The administrative definition of "immediate family" varies from place to place.)

Asylum seekers and refugees are the third basic entry "stream" and represent a small proportion of the overall stock. The Office of the UN High Commissioner for Refugees (UNHCR) estimates that less that ten million persons have gained legal entry through the refugee resettlement and asylum routes since 1980. Overall, less than 10% of the total stock of immigrants are thought to be asylum seekers or refugees at most points in time.

Finally, one last category is of particular note (and is discussed separately below): illegal migration. As noted, this migration form has been by far the fastest rising single form of migration during the past ten years.

Distribution of the immigrant stock

The distribution of the immigrant stock stands roughly as follows. The political space occupied by the North American Free Trade Agreement (NAFTA), that is, the United States, Canada, and Mexico, probably accommodates between 43 and 44 million of the world's entire immigrant stock and about three million of the annual immigrant flow. The European Union (EU) 25 plus the European Economic Area (EEA) probably hosts a slightly lower proportion of the total immigrant stock in a population base that is roughly equal to NAFTA's—at about 440 million each. This makes Europe, broadly defined, a remarkably significant (if "newer") destination area for immigrants.

Yet, and as noted, both the largest absolute number of immigrants and the largest proportion of the immigrant stock are in Asia. In fact, Asia has held that preeminent position for the last four decades. Asia is also the most likely locus of large scale migration activities in the decades ahead as the largest continent (by far) and the space with the two largest (and still growing) multi-state/ethnic countries poised for an economic take-off: China and India. Continuing instability in South Asia, the Middle East, and the Gulf states only adds to the region's volatility—and hence, to its potential for large-scale migration flows.

Immigrant density

Finally, in terms of per capita immigrant density (here I use the broadest and most politically neutral measurement for "immigrants"—the foreign-born), the leading advanced industrial countries in terms of the foreign-born as a proportion of those born in the country of immigrant destination are as follows. The top tier is composed of Luxembourg, with a rate of between 35 and 40 percent, Australia with somewhat more than 25 percent, and Switzerland with a bit less than 25 percent. The second tier is led by Canada, at about 17 percent, Germany at about 13 percent, and the United States, at nearly 12 percent. These two sets of countries are followed by a third tier of countries with foreign-born immigrant density levels of between 8 and 11 percent. Among them, one finds Sweden, France, the Netherlands, Belgium, Greece, etc.

Notably, the US includes in its estimates the nearly 10 million unauthorized immigrants in it and about 1.6 million of its longer-term temporary residents. France excludes from its official statistics naturalized foreigners. Many European countries include the locally-born children of their immigrants in their statistics on "foreigners" and none of them include estimates of unauthorized immigrants.

Summary

By way of summary, three observations may be worth reiterating here.

- First, countries include widely different populations in their immigration statistics. For instance, the US includes in its estimates most of the 10 to 11 million unauthorized immigrants in it and about 1.6 million of its longer-term temporary residents. France excludes from its official statistics naturalized foreigners. Many European countries include the locally-born children of their immigrants in their statistics on "foreigners" and none of them include estimates of unauthorized immigrants.

- Second, if one takes out of the total stock of immigrants the 25 to 30 million, mostly Russians, who became international migrants under rather "technical" circumstances (it was state borders that actually moved, not they!), the immigrant stock today stands at about 2.6 percent of the earth's population. This is a proportion that is only about 10 percent higher than that for the 1960's, 1970's, 1980's and much of the 1990's. It is only in the late 1990s that migration seems to have spiraled higher, led by increasingly organized flows of unauthorized entries.

- Third, although there are a number of trends in international migration that are valid, to a larger or smaller degree, for most advanced industrial societies, there is only one that is truly "global" in character. Much of the growth in and maintenance of high levels of international migration is almost as much the result of market realities in advanced industrial societies as of "them" (migrants) somehow crashing the west's gates and "imposing" themselves on it. This point goes to the root of an analytical perspective that, perhaps controversially in some political circles, incorporates fully the fact that receiving countries are deeply implicated in international migration of all forms by providing conditions and circumstances in which immigration survives and thrives—a perspective that is often missing or, more frequently, underemphasized in many analyses.

Forms and Definitions of Illegal Immigration

As the preceding discussion has already suggested, illegal immigration takes several forms, four of which are the most common.

1. Undocumented/unauthorized entrants. These are nationals of one State who enter another State clandestinely. Most such entrants cross land borders, but sea routes are also employed regularly, and wherever inspection regimes are permeable, so are air routes. In all instances, the entrant manages to avoid detection and hence, inspection. (In the US, where persons who use this type of entry account for about two-thirds of all illegally resident immigrants, the category is called "entry without inspection, or "EWI.") Increasing proportions of such clandestine immigrants are smuggled or trafficked.

2. Individuals who are inspected upon entry into another State but gain admission by using fraudulent documents. The fraud in question may involve the person's identity and/or the documentation in support of admission. A variant of this class of entries involves the making of fraudulent asylum claims where issues of identity and the documentation and the narrative in support of the asylum claim may be falsified.

3. Violators of the duration of a visa. Individuals who enter another State properly but "willfully" (see below) overstay their period of legal stay, thus lapsing into illegal status.

4. Violators of the terms and conditions of a visa. Nationals of one State who enter another State with the proper documents and procedures but at some point violate the terms of their visa. The most frequent such violation is the acceptance of employment. In a nearly institutionalized variant of such violation, language schools in some countries, such as Japan, have been notorious for admitting students whose course of study becomes the nominal activity while (often full time) employment, a commonly allowed ancillary activity to studying, is in fact the principal activity. Another variant of this class of violation is when persons with special visa privileges—such as holders of "border crosser visas" that allow border residents from an adjacent country to reside and be employed in the other country within strictly prescribed time and geographic parameters—systematically abuse these parameters.

While these four classes of illegal entries and stays capture the overwhelming majority of all immigration violations, it is important to note that many foreigners may also find themselves in brief temporary violation of the host nation's immigration laws in what are otherwise legal entries and fundamentally legal stays. For instance,

- A tourist may exceed his or her duration of stay pending a decision on their application for an extension of that term;

- A business visitor may engage in a business activity that may require a different visa classification;

- A student may work for short intervals of time in violation of the terms of his or her visa, either by working while attending school or working in an unapproved occupation during the practical training part of their education;

- Workers on temporary work visas may change employers (or even employment sectors) without obtaining the proper authorization from the immigration authorities.

While these sorts of violations of immigration laws happen with considerable frequency, and some are important, most are relatively "innocent," that is, they are not systematic, and are of short duration. In fact, most statistical systems either ignore these infractions or are otherwise incapable of capturing and counting them. Furthermore, in administrative and regulatory terms, many of these violations are typically the result of inflexible rules and understaffed (and thus overworked) immigration bureaucracies that do not have the resources to adjudicate immigration petitions in timely fashions.

For instance, more than 6 million immigration petitions—many of them requests for a change in immigration status—were pending in the US in 2004. (More recent data are difficult to reconcile with this figure because the Department of Homeland Security has since changed the way it reports these data.) Many of these petitioners are certain to lapse into illegality during the lengthy adjudication delays.

Back to Basics: Triggers, Drivers and Facilitators of International Migration

Wars and large-scale disasters, whether natural or man-made, are obvious migration triggers as people flee for their lives. Beyond them, the triggers of international migration can be found in the quest to protect oneself and one's family from sustained physical jeopardy and to escape dramatic and persistent declines in economic opportunities. (Colombian and Argentinean emigration during the last few years are both examples of this phenomenon.) This migration cause is qualitatively different than the search for economic improvement, which is one of the migration constants.

Two elements within those broad causes are likely to remain important migration drivers in the next two decades. The first is political, social and cultural intolerance or, at the extreme, group-based, gross violations of human rights. The second is the systematic failure (some will say willful indifference) of governments to redress issues of cumulative disadvantage—that is, the various forms of economic exclusion and ethnoracial, religious, or linguistic discrimination that systematically disadvantage certain segments of a population.

Both of these migration drivers are always more or less in evidence. In most instances, however, they are not sufficient either to start a large new migration flow or to suddenly expand substantially an existing one. For that to happen, a number of preconditions ("facilitators") must be in place. The following are among the most notable ones.

A. A tradition of migration

The pre-existence of a long-term political, social and economic relationship between a sending and destination society that includes a tradition of migration is a most potent facilitator of migration. When such a tradition exists, it simply leads to more migration until either a significant new variable enters the picture or the value of one of the existing variables changes decisively. An example of the former would be a dramatic and regime-wide change in attitudes toward some or all immigrants at the receiving society end. Terrorism concerns that prove real and sustained may in fact act in such a way, as might ethnic or religious violence that is thought to be exacerbated by migration. (In this regard, it will be worth watching in the years ahead at the acceptance of immigrants and other entrants from predominantly Muslim and Arab countries throughout the industrial West.) An example of the latter would be the persistent reduction in the economic but especially the opportunity differential between countries. The story of the dramatic decline in West European immigration to the United States and the rest of the traditional countries of immigration that began in the late 1960s or the stabilization of intra-EU migration since the 1980s are examples of this phenomenon.

B. Economic and internationalist elites

When receiving society elites are convinced of the economic benefits of legally authorized and orderly migration (and, within certain parameters, even of unauthorized migration) they can typically organize themselves to open the immigration valve further. In this scenario, migration's benefits will have to be thought of as being substantial enough—and government policies inadequate enough to meet perceived needs —to motivate economic and internationalist (what Kant referred to as "cosmopolitan") elites and their political allies to support significant openings to immigration flows. Canada's sustained interest in immigration is an example of such elite-driven legal opening, as are recent openings to migration in the U.K. and elsewhere in the EU, and the proposed openings in Germany. The US's glaring tolerance of unauthorized immigration is an example of how far some pro-immigration elites may go when adequate legal openings to immigration are politically unachievable.

The twin forces most responsible for the growth in irregular migration can be found in two actions. The first is the developed world's extreme governmental bias against low-skilled migration in the face of market forces that strongly value it (and broad classes of people who need it). The second is what broad segments of the developed world's non-governmental sector view as extreme "niggardliness" toward various forms of social and humanitarian immigration.

The former is most obvious when a variety of personal and low-value-added service jobs go begging. Among these jobs are assistants and child- and elder-caretakers, restaurant kitchen and waiting staff, some retail service providers, etc., as well as seasonal and other types of difficult and low-wage work—work to which "first-worlders" no longer aspire or are interested in accepting. The latter plays itself out in Europe's

intense arguments about the asylum system and in much of the developed world's unease about the growth in family immigration.

C. Communities of co-ethnics

Mature and influential "anchor" ethnic communities in the country of destination can and do mobilize to become "enablers" of substantial migration flows when faced with a sharp deterioration in the circumstances of their co-ethnics/co-religionists in another country. This enabling function often includes offering to assist with the initial integration of the newcomers. Much of post-1970 Jewish emigration to the US and elsewhere in the West fits well under this model.

"Enablers," however, do not stop there. If the receiving society is unresponsive to their advocacy, they will often provide the essential "lubricants" for the unauthorized migration of their brethren. These may include the commitment of the necessary capital for their travel and entry and the provision of an incubating social and economic environment within their own community upon arrival. Examples of such "network" behavior abound throughout the advanced industrial world, although the role of the Mexican and Mexican-American communities in the United States may be classified as archetypical—and is widely replicated throughout the world.

D. Civil society

When key civil society institutions in the prospective destination country, such as religious and human rights ones, stand in strong philosophical opposition to the circumstances migrants are attempting to escape—and are willing to use their political capital in support of a migration "solution" to the problem—they are often at least partially successful. The examples of the resettlement of many Southeast Asians in the 1970s and 1980s throughout much of the West or the admission of those who manage to leave such places as Iran and much of the Middle East in the last two decades are good examples of such "success."

Civil society institutions typically pursue their pro-"protection" and, secondarily, pro-immigration work in alliance and through coalitions with ethnic, ideology-driven, and economic interests. In doing so, they and their allies quickly become key "stakeholders" in the effort to sustain and widen an opening to migration to the point where it becomes a permanent feature of a society. Once such coalitions mature, unilateral efforts by state bureaucracies to change the migration status quo stand low probabilities of success—particularly when other important societal actors, such as certain progressive trade unions, also join in. The support of much organized labor in the US for offering illegally resident immigrants legal permanent status, and its countenance of most forms of immigration, are examples of alliances that cross interests in ways that have earned them the name of "strange bedfellows."

The Demand Side: Demographics, Economic Competitiveness and Migration

Low rates of native population growth across the advanced industrial world has meant that migration is already a large demographic force there. For instance, in the second half of the 1980s, international migrants accounted for about one-quarter of the developed world's population growth; that figure grew to about 45 percent in the first half of the 1990s—a function of both increased immigration and relentlessly low native fertility[6]—and likely exceeds two-thirds of growth today. Of course, averages typically hide enormous regional, sub-regional and national variations. For instance, international migration now probably accounts for all (if not more than all) of the European Union's population growth.

But what will the future bring? The demographic facts are not in dispute. As the morning panel has discussed, most of the advanced industrial world has failed to reproduce itself adequately for a generation now. As the post-World War II baby-boomers pass from the economic scene over the next decade or so most western democracies will experience substantial indigenous working age population gaps. Countries with significant migration inflows in the last several decades will also begin to notice the changing of the racial and ethnic composition of their workforces as much larger proportions of new labor market entrants will tend to be immigrants and their off-spring.

It is the bulge in the retirement age population, however, that is of special interest to this analysis. The number of retirees will reach absolute and relative sizes unlike anything we have witnessed in history. With people living much longer than ever before, the taxes of fewer and fewer workers will have to support ever larger numbers of retirees—a ratio known as old age support (or *dependency*) ratio. The data become more troubling when *total* support ratios are examined, that is, the ratio of the number of persons in the workforce relative to the sum of those who are already retired *and* those who are too young to be working.

Nor do the bad news for the next two decades stop here. Most estimation models assume that young persons "enter" the workforce as teenagers and that retirement occurs in the mid-60s. Both of these conventions are at gross variance with actual behavior in advanced industrial countries and bias the estimates systematically in favor of greater optimism—and complacency. The gravity of these projections also increases when considering that unlike with long-term projections about fertility, which come closer to educated guesses in the "out" years of a projection, the aging numbers are known for the next two decades. More to the point, even if fertility were to increase dramatically and immediately, it would have little effect on old-age support ratios during the next two decades because of the time it takes most young persons in the advanced world to prepare for entering the labor force full-time.

[6] In many countries, the higher fertility rates of ethnic minority and immigrant communities mask the very low fertility rates for the majority population.

How, then, does migration fit into all this? No reasonable analyst believes that immigration can somehow "solve" the policy dilemma. One example of the immigration numbers that might be required to maintain reasonable old age support ratios might suffice to make this point. Maintaining 2010-level old age support ratios in 2020 through immigration would require intakes that are *several times the size of most states' actual immigration intakes for the 1985-1995 period.* Such intakes are clearly neither socially nor politically viable.

More to the point, perhaps, the analytical evidence suggests that the *permanent* immigration "solution" is complicated in another key respect: unless a state admits primarily very young or mostly temporary immigrants one would need always larger foreign-born populations to maintain reasonable old-age support ratios. An alternative "immigration" option, larger numbers of temporary workers, is thus likely to become very popular for many advanced industrial societies, and thus gain in significance relative to permanent immigration. Introducing age biases in permanent immigration formulas—as do Canada and Australia—may also become more common.

Responding to the Challenge of the Graying of the Advanced Industrial World

The aging of the baby boomers and seemingly ever higher life expectancies are leading to an unprecedented growth in the developed world's elderly populations. But this is only half the "problem." At the same time, improved birth control technologies and numerous powerful and, by now, deeply embedded social, cultural, and economic forces seemingly conspire to keep the number of its youth at historically low levels. Together, these twin realities will cause immense economic, social, and political dilemmas that will gradually come to dominate the West's political and policy agendas.

While the timing and severity of the challenge will vary among developed states, the trend is unmistakable and, for the next twenty years, the outcome practically predetermined. The forces that drive it are powerful. They include often stunning improvements in medical science, almost limitless access to state-supported or subsidized medical care, ever higher rates of female participation in the labor force, and affluence (which improves access to ever more advanced medical services *and* depresses fertility).

These realities pose three policy challenges of the first order; they also suggest three key areas for policy intervention.

- The first regards the *timing* of retirement and targets initially the slowing down and gradually the reversal of the growing imbalance between the time a demographic cohort spends in the labor market relative to the time it spends in retirement.

- The second addresses the *quality* of retirement and targets the sustaining of retirement income and health maintenance systems while tending to the needs and (most of the) expectations of the elderly and similarly situated populations (the infirm, the disabled, the needy, etc.).

- The third focuses on the mix of retirement income forms and on how to expand such a mix—an area that has been and continues to be explored systematically by the OECD but one that is well beyond the time frame and focus of this essay.

The challenges these realities pose are many. For the purposes of this discussion, the greatest may be securing adequate living standards for pensioners without putting crushing tax burdens on workers—a challenge that will worsen every decade. That is not the only implication. The median age of the population will also rise while the relative size of the native born population in most of the developed world will decline. In most of Europe, changes in the ethnic composition and age distribution of populations, left unattended, as well as actual population declines, will likely give rise to additional policy challenges—ranging from the threat of deflationary pricing (as goods chase fewer domestic consumers and competition for foreign customers intensifies) to numerous labor market distortions. The latter can include increasingly severe labor shortages that will go beyond the mismatches between needed and available skills that define many labor markets today. Once more, left unattended, these anomalies will likely redefine the world of work in most advanced industrial societies—although probably not during this essay's time frame.

The labor market implications of this demographic conundrum will be felt most directly in economic sectors of particular interest to the aging societies. Among the most vulnerable sectors are those in which, while demand is already strong and will continue to grow robustly, the nature (often difficult jobs with physically demanding conditions and undesirable hours), social standing, and wage structure of the jobs makes them unappealing to native workers. These jobs include care-giving to the elderly and tending to the personal services' needs of affluent first-worlders. However, this will not be the only set of worker shortages. More workers will also be needed in order to help keep retirement and public health systems afloat through their taxes, and, in many cases, to keep both production and consumption systems humming.

This scenario suggests that societies that address these demographically-centered challenges sooner and more aggressively will enhance their prospects for economic stability and growth. Those that do not, are likely to experience greater economic instability and, under certain extreme scenarios, economic decline. Both alternatives also imagine a spillover into *social* instability—requiring that responses must factor in the requirement of social cohesion.

What might be done? One way to begin to address this question is by breaking the current paradigm into its major components and assessing each part's amenability (or resistance) to change. If one looks at pensions and health benefits, for instance, it is clear that the public purse cannot maintain its current responsibilities over the long term, let alone enhance coverage, under present tax *and productivity* models. However, increasing tax burdens on individuals, small businesses, or corporations will be resisted strongly. European taxpayers already feel over-taxed and politicians must tread softly if they are

interested in being re-elected. Similarly, business owners cannot be realistically expected to accede to higher taxes at the same time that the twin forces of globalization and trade liberalization demand that they keep their costs down and their productivity up if they are to remain competitive—and hence in business.

These difficulties, however, should not be understood as a judgment that the developed world has no ammunition with which to combat them. It does. However, every policy response entails significant pain for important societal segments—suggesting that governments will likely attempt first to prolong the status quo and postpone more aggressive initiatives. This tactic will prove both inadequate and harmful in the longer run.

Among the stop-gap measures that are certain to be relied upon will be the following:

- Mandating longer work lives.
- Reducing retirement benefits.
- Experimenting with greater efficiencies in state-supported health care delivery systems (including the introduction of competition from private sector care providers).
- Encouraging the development of additional forms of retirement systems ("pay-as-you-go" systems will become unsustainable in the absence of a set of coordinated policies that include more immigration *and* extraordinary and sustained growth in productivity).
- Engaging in a new, and vastly more severe, round of fundamental economic restructuring, this one mandated by a different "market"—the political realities of the new demographics.

Most states are already experimenting with several of these approaches and a list of "best practices" is beginning to emerge. However, the political push-back for the most promising "innovations" is already strong and will intensify as the service cuts that most initiatives imply begin to be felt by ever larger population cohorts.

It is thus the judgment of this essay is that only three long-term solutions are truly salient: (a) gradual changes in retirement age, (b) significant and long-term changes in fertility, and (c) greater openness to immigration.

The first will pit the government against retirees and those nearing retirement, two groups that hold a disproportionate share of a country's wealth *and* political power. The government is not likely to win that battle except at the margins—and even that will take much longer than the crisis can allow.

The second one, changes in fertility, implies a reversal in long term trends—and will require nothing less than a revolution in prevailing social norms and economic logic.

The final one, larger and in some cases much larger immigration intakes, will require even sharper attitudinal changes—overcoming the age-old resistance to large-scale immigration and the social and cultural change it implies. Can societies that appear to value tradition and continuity virtually above all else, as the Europeans (as well as the ancient Asian societies) do, make the leap that larger immigration levels require? Will the traditional immigration countries start preparing the political ground for continuing the large scale immigration intakes they may (and in some instances will) need in the future—as they must also do? Will both types of societies be able to manage the social and political reactions this solution will generate? These are difficult adjustments indeed; yet these societies cannot remain meaningful international players either if they fail to address the demographic issues outlined here or if they attempt to address them without the required wisdom.

Looking Ahead to 2020

Projecting how international migration is likely to evolve in the next 15 years is both easier and more difficult than it may appear at first. It is easier because the phenomenon's behavior is understood better now, both from what might be called the supply-side but, increasingly, also from the demand-side. We now also understand the triggers, drivers, and facilitators of migration much better. It is more difficult because of two factors whose effect is akin to that of wild cards in a game of chance: security (terrorism) and the socio-cultural reaction to migration. Both of these factors have been touched-upon already.

For the next 15 years, the supply—the-so-called migration "pipeline"—will remain robust. There is nothing within this rather short horizon that will change dramatically *for the better* to affect the major developing-country suppliers of immigrants in ways that will lead to a pronounced drop in the interest to emigrate. If anything, a number of still relatively small migration "players" are likely to grow in importance, while China and India could well become massive players in the international migration system with relatively little notice.

While the supply is thus expected to remain near infinite, the demand for immigrants will also grow substantially, though arithmetically. Three factors will account for the lion's share of that growth:

- First, demography, and especially the one-two punch of the birth dearth and the growth in the share of the old and the very old in the advanced democracies'(and China's!) populations—with these groups' health, pensions and personal services' needs topping the list of priorities.

- Second, the increasing skill and more general labor shortages (including skill and geographic demand and supply mismatches) in the developed world that willl be fueled in large part by the birth dearth.

- Third, the sheer momentum of the immigration process itself, whereby pro-immigration coalitions form in support of immigration while formulaic, legal, and "rights-based" openings to migration—such as family (re)unification, refugee resettlement, and asylum grants—continue to build ever stronger immigration streams.

Of course, the terrorists attacks of the last few years may yet play a bigger role than they have to date on reshaping the environment in which international migration has thrived in recent decades. In that regard, terrorism and the "war" against it have introduced a degree of uncertainty into the calculus that underlies this essay. That uncertainty raises the possibility, if not yet the likelihood, of extreme state reactions to migration. If, however, we are on the brink of a new era of nihilistic conflict rooted in resurgent nationalism (centered not only in the developing world), politically expressed religious fundamentalism, and various other nearly forgotten "isms," *and if the casualties on both sides grow at rates commensurate with the capabilities of our era's instruments of destruction,* the immigration-growth scenario outlined herein may indeed be nullified. And if such a conflict and chaos scenario comes to pass, the only reasonable projection is that national security will trump all other policy priorities with regard to migration for an indeterminate period—and that most forms of international migration to the developed world will be cut dramatically.

Otherwise, migration's reach during the next 15 years will expand beyond the advanced industrial west—to Japan and the "Asian Tigers," as well as to emerging market societies everywhere. Initially, the government-led or -assisted part of this expansion will most likely take the form primarily of regulated temporary entry by needed high- *and low*-skilled foreign workers. But it will not stop there. "Front gate" provisions for converting valued "temporary" legal immigrants into permanent ones will also proliferate, turning temporary admission streams into transition and filtration systems for selecting permanent immigrants. In addition, opportunities for admitting better-skilled foreigners outrightly as permanent immigrants will also increase, particularly when the world economy rebounds and global competition for talented foreigners intensifies.

At the same time, pressure from unauthorized migration is also likely to remain robust, and managing it will continue to be a major preoccupation of governments. Changing the status quo, however, will require moving beyond the "tried and failed" paradigms of simply applying always greater resources to border and interior controls. It will also require interventions that are as nimble and multifaceted as the phenomenon itself, as well as unaccustomed discipline, unusual degrees of coordination across policy portfolios, and new models of cooperation between countries of origin and destination.

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